GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

DECEMBER 24, 2002

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean	
				Gulf	PNW
Indicator Value* for 12/24	97	123	n/a	114	138
Compared to Last Week	↑	↑		↑	↑

*Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel, based on Routes to Japan

Jan. 12-16, '03	Transportation Research Board (TRB) 82nd Annual Meeting	Washington, DC	202-334-2934 (ph) 202-334-2003 (fax) www.trb-agtrans.org/events.htm
Jan. 19-22	American Farm Bureau Federation (AFBF) 84th Annual Meeting and Convention	Tampa Bay, FL	847-685-8600 (ph) 202-484-3600 (ph) www.fb.org
Jan. 26-31	Wheat Industry Conference	Albuquerque, NM	202-547-7800 (ph) wheatworld@wheatworld.org
Feb. 5-7	National Grain Trade Council (NGTC) Transportation, Elevator & Grain Merchants (TEGMA) 2003 Annual Meeting	Marco Island, FL	Tyson Redpath 202-842-0400 Ext. 101(ph) 202-789-7223 (fax) tredpath@ngtc.org
Feb. 9-12 U.S.	Grains Council Annual Meeting	Guadalajara, MX	202-789-0789 (ph) grains@grains.org
Feb. 11-13	World Ag Expo	Tulare, CA	614-292-4278 (ph)
Feb. 16-18	Annual Sorghum Industry Conference and 23rd Biennial Research & Utilization Conf.	Albuquerque, NM	806-749-3478 (ph) conference@sorghumgrowers.com
Feb. 20-21	USDA79th Annual Agricultural Outlook Forum	Arlington, VA	202-314-3451 (ph) agforum@oce.usda.gov
Feb. 27-Mar. 1	Commodity Classic Trade Show	Charlotte, NC	Beth Musgrove 314-275-9915 (ph) musgrove@ncga.com
Mar. 10-12	American Farmland Trust National Conf.	Pacific Grove, CA	Doris Mittasch 413-589-9330 (ph) dmittasch@farmland.org
Mar. 25-28	National Grain and Feed Association (NGFA) 107th Annual Convention	Tucson, AZ	202-289-0873 (ph) 202-289-5388 (fax) ngfa@ngfa.org
May 4-6	North American Rail Shippers Assoc. Annual Meeting	Washington, DC	202-639-2100 (ph)
May 5-7	American Feed Association Expo 2003	Minneapolis, MN	703-524-0810 (ph) afia@afia.org

Report is prepared by Deen Olowolayemo, Hooshang Fazel, and Johnny Hill, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

Contents

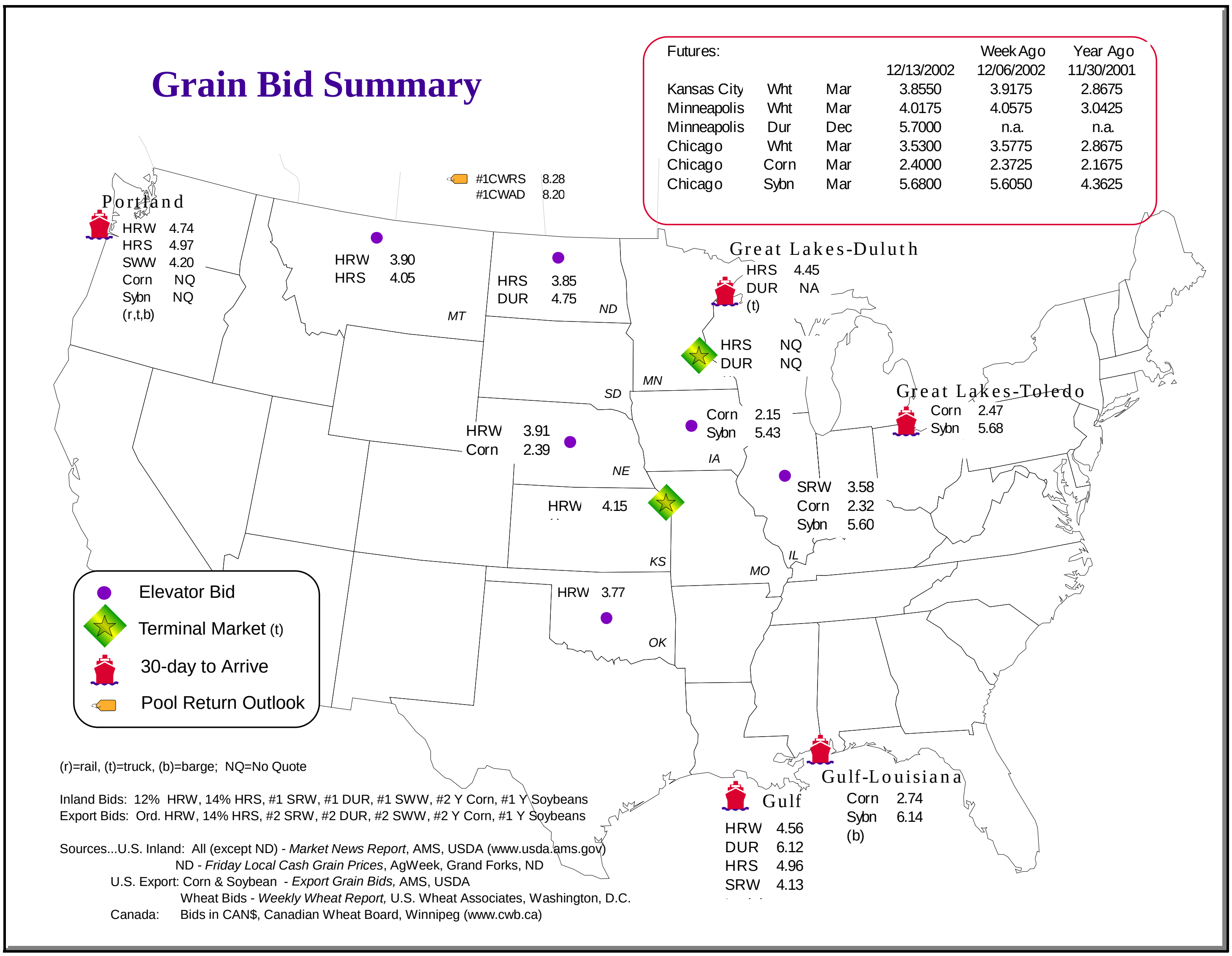
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads

Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.42	-0.40
Corn	NE -- Gulf	-0.35	-0.32
Soybean	IA -- Gulf	-0.71	-0.69
HRW	KS -- Gulf	-0.41	-0.38
HRS	ND -- Portland	-1.12	-1.19

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



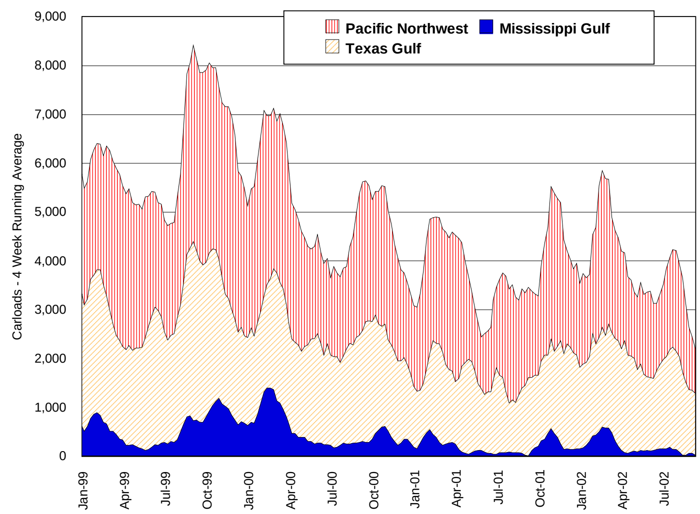
RAIL TRANSPORTATION

Rail Deliveries to Port
Carloads

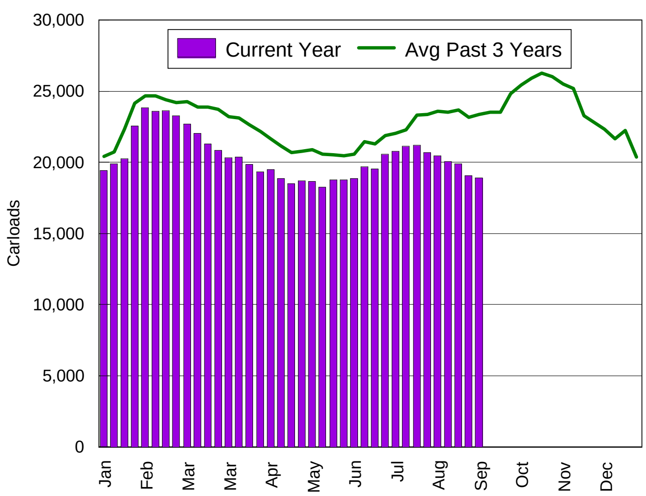
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
12/4/02	491	870	2,534	160	4,055
12/11/02	252	1,052	2,453	633	4,390
YTD 2002	10,591	81,651	107,280	20,142	219,664
YTD 2001	9,762	78,514	107,114	25,511	220,901
% YTD 2001	108%	104%	100%	79%	99%
Total 2001	10,022	81,804	111,376	26,604	229,806
Total 2000	25,767	104,473	128,414	14,816	273,470

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Rail Deliveries to Port



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

	East		West				Canada	
	CSXT	NS	BNSF	KCS	UP	U.S. Total	CN	CP
12/14/02	2,833	3,606	7,958	657	6,339	21,393	2,579	3,389
This Week Last Year	2,900	2,824	8,528	564	7,110	21,926	4,873	4,444
2002 YTD	137,937	159,046	385,852	26,026	331,829	1,040,690	186,957	191,885
2001 YTD	147,321	157,517	415,025	25,142	335,039	1,080,044	245,768	225,733
% of Last Year	94%	101%	93%	104%	99%	96%	76%	85%
2001 Total	151,864	163,018	428,603	26,330	347,156	1,116,971	254,982	232,461

U.S. Rail Carrier Grain Service Index*

	CSXT	NS	BNSF	KCS	UP	U.S. Total
Nov-02	93.3	95.6	95.5	102.7	93.1	94.4

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service) for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results
Average Premium/Discount to Tariff, $/Car - Last Auction

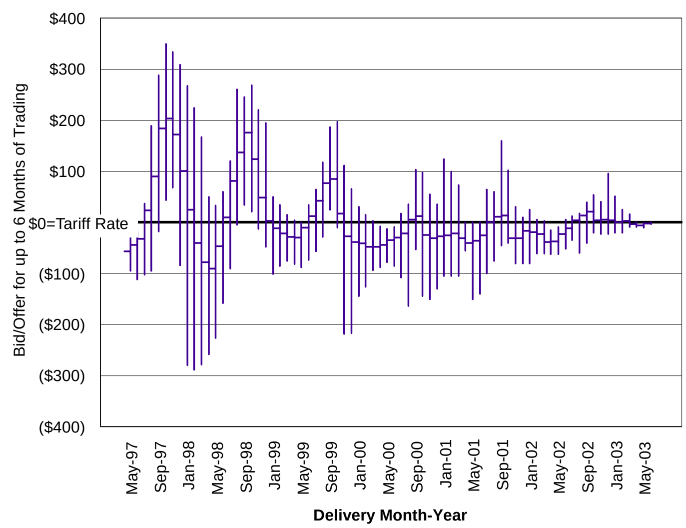
Delivery for:	Jan-03	Feb-03	Mar-03
COT/N. Grain	$0	no bid	no bid
COT/S. Grain	$0	$0	$0
GCAS/Region 1	$6	no offer	no offer
GCAS/Region 2	$30	$2	$2

Source: Transportation & Marketing/AMS/USDA.
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market
Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Jan-03	Feb-03	Mar-03	Apr-03
BNSF-GF	$5	$4	$1	($8)
UP-Pool	$51	$26	$15	($6)

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

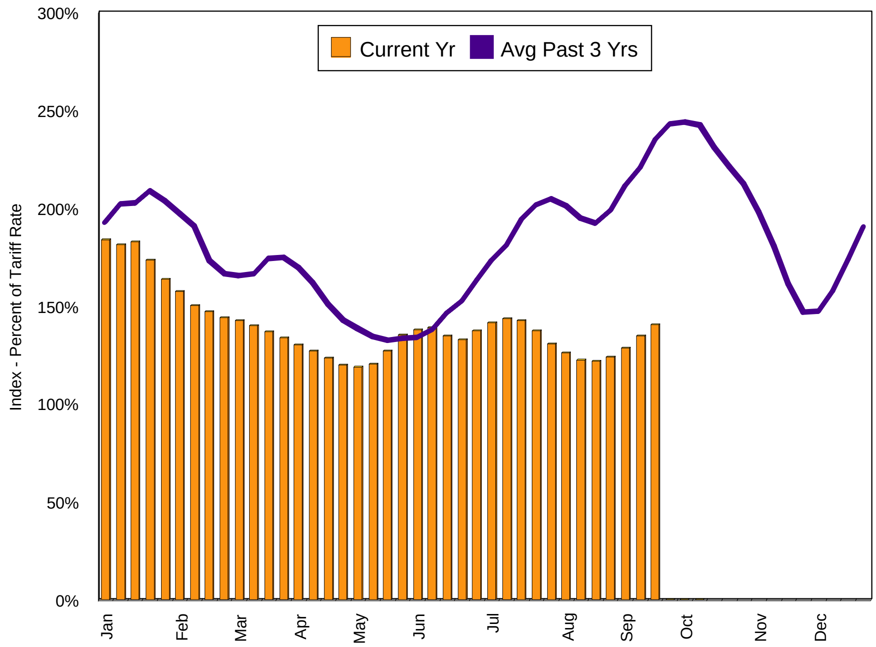
December 2002

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/2/02	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
12/02/02	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
12/02/02	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
12/02/02	43586	Wheat	Kansas City, MO	Portland, OR	$4,347	$47.92	$1.30
12/02/02	43581	Wheat	Omaha, NE	Portland, OR	$4,005	$44.15	$1.20
12/02/02	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
12/02/02	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
12/02/02	31005	Corn	Omaha, NE	Portland, OR	$2,850	$31.42	$0.80
12/02/02	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
12/02/02	61110	Soybean	Omaha, NE	Portland, OR	$2,780	$30.64	$0.83

Source: www.bnsf.com
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

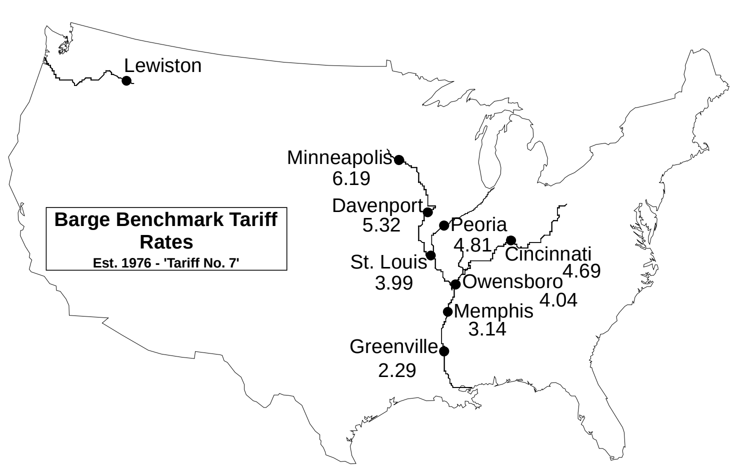
	12/18/02	12/11/02	Jan. '03	Mar. '03
Twin Cities	nq	nq	nq	205
Mid-Mississippi	nq	250	nq	179
Illinois River	173	228	195	163
St. Louis	141	178	140	140
Lower Ohio	130	140	131	137
Cairo-Memphis	123	129	124	125

Source: Transportation & Marketing /AMS/USDA; nq=no quote

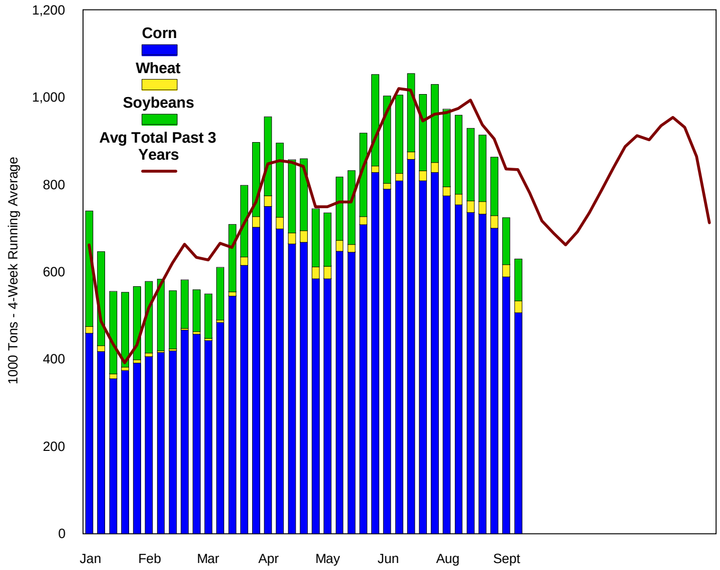
BARGE FUTURES MARKET
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
12/10/02	St. Louis	Oct	n/a	n/a
		Dec	n/a	153
		Feb	n/a	140
		Apr	n/a	140
		Jun	n/a	140
	Illinois River	Oct	n/a	n/a
		Dec	n/a	180
		Feb	n/a	178
		Apr	n/a	153
		Jun	n/a	150

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements
for week ending 12/14/02

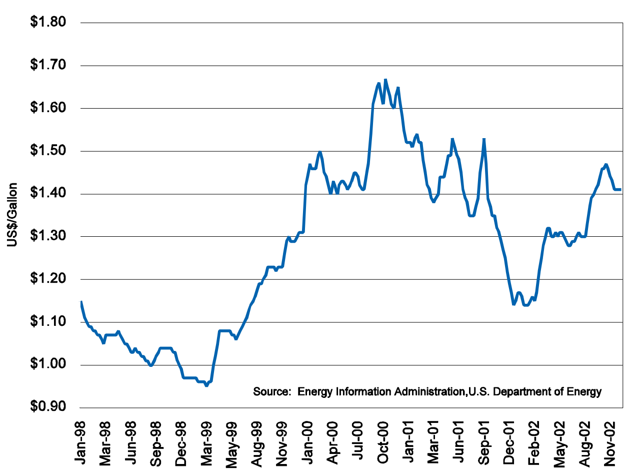
	Corn	Wht	Sybn	Total
		1,000 Tons		
Mississippi River				
Rock Island, IL (L15)	9	0	6	15
Winfield, MO (L25)	204	9	151	364
Alton, IL (L26)	729	19	309	1,057
Granite City, IL (L27)	804	36	321	1,175
Illinois River (L8)	n/a	n/a	n/a	n/a
Ohio River (L52)	n/a	n/a	n/a	n/a
Arkansas River (L1)	0	22	10	32
2002 YTD	32,089	2,401	10,548	46,441
2001 YTD	29,397	2,556	8,982	42,737
% of 2001 YTD	109%	94%	117%	109%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers.

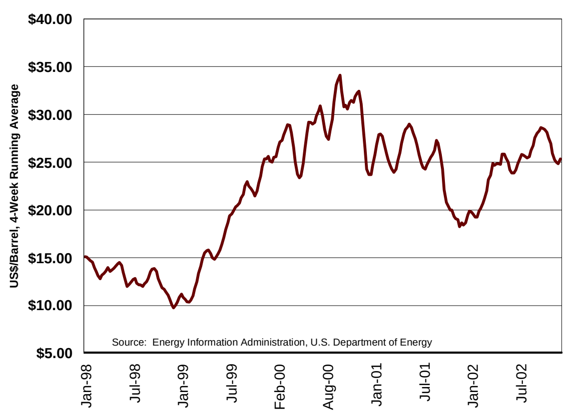
TRUCK TRANSPORTATION

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices
US$ per Barrel

	This Week	Last Week
Light Sweet Crude (NYMEX)	n/a	29.47
Brent Crude	n/a	28.94

Source: www.eia.doe.gov; *U.S. Refiner CrudeAcquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	Wheat *HRW*	*SRW*	*HRS*	*SWW*	*DUR*	*All*	Corn	Soybean	Total
Unshipped Export Balances									
12/12/02	1,255	770	1,266	697	137	4,125	7,346	8,319	19,790
This Week Year Ago	1,231	536	1,009	590	179	3,546	7,399	8,794	19,739
Cumulative Exports-Crop Year									
01/02 YTD	4,446	1,436	3,901	1,980	501	12,263	11,444	9,990	33,697
00/01 YTD	4,667	3,266	3,054	1,800	730	13,517	12,339	17,713	43,569
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
97/98 Total	9,867	6,792	8,918	6,443	897	32,918	55,769	23,550	112,237

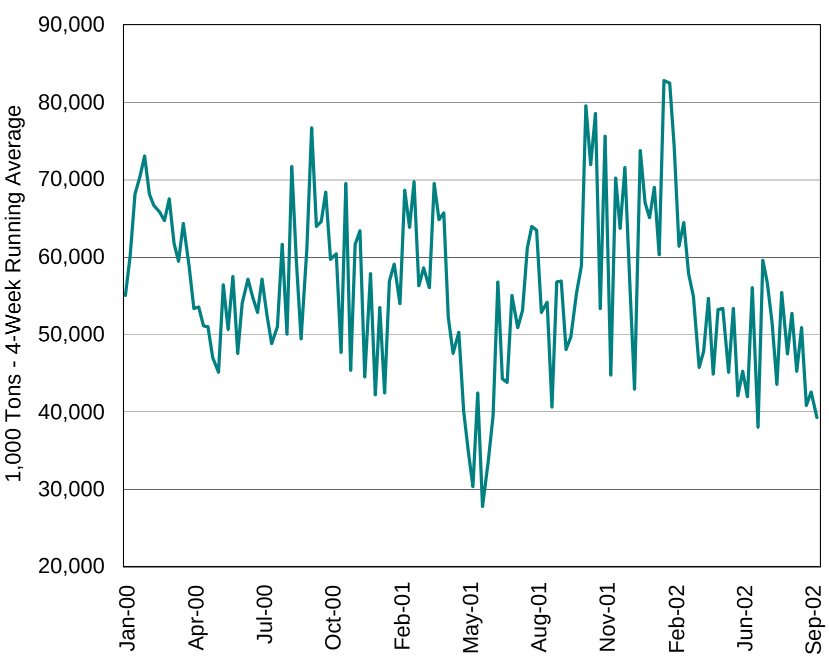
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	Pacific Region *Wheat*	*Corn*	*Soybn*	Mississippi Gulf *Wheat*	*Corn*	*Soybn*	Texas Gulf *Wheat*	*Corn*	*Soybn*	Port Region Total *Pacific*	*Mississippi*	*Texas*
12/19/02	149	117	49	103	912	377	118	4	0	315	1,391	122
2002 YTD	8,781	3,845	2,801	5,372	35,742	17,539	5,751	266	992	15,426	58,653	7,009
2001 YTD	9,461	5,015	2,709	6,132	33,889	16,974	5,779	267	1,561	17,185	56,995	7,607
% of 2001 YTD	93%	77%	103%	88%	105%	103%	100%	100%	64%	90%	103%	92%
2001 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections

1,000 Metric Tons, Week End Summary

12/12/2002	Wheat	Durum	Barley
Vancouver			
Prince Rupert	35	24	
Prairie Direct	5	15	5
Thunder Bay	35	11	
St. Lawrence	2,024	1,110	150
2001/02 YTD	5,240	1,123	391
2002/03 YTD	2,099	1,160	155
% of Last Year	250%	97%	252%

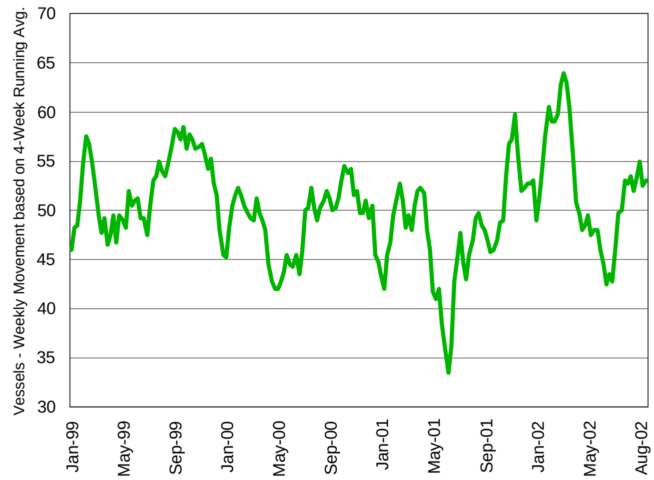
Source: Canadian Grains Commission, Crop Year 8/1- 7/31

Port Region Ocean Grain Vessels

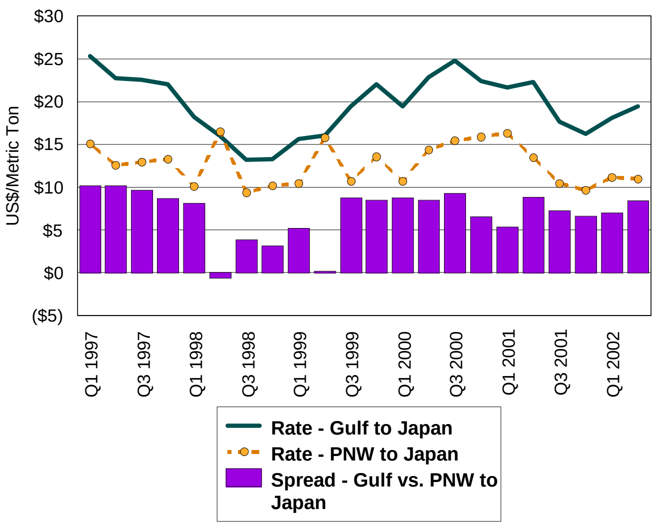
	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
12/12/02	33	48	87	15	1
12/19/02	38	47	74	15	0
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 3rd Qtr	2001 3rd Qtr	% Change		2002 3rd Qtr	2001 3rd Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$19.54	$17.69	9%	Japan	$11.57	$11.46	10%
Mexico	$7.14	-	-				
Venezuela	-	$13.45	-				
N. Europe	-	$12.06	-	**Argentina to**			
N. Africa	$31.64	$18.21	42%	Med. Sea	$19.93	-	-
Med. Sea	$11.92	$12.05	-1%	N. Europe	-	$16.22	-
Black Sea	-	-	-	Japan	-	$29.40	-

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Selected Shipments - week ending 12/21/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	China	Wheat	Dec. 20/30	22,000	$126.95*
U.S. Gulf	Japan	Heavy Grain	Jan. 1/5	54,000	$25.25
U.S. Gulf	Japan	Heavy Grain	Jan. 3/20	54,000	$25.50
PNW	China	Wheat	Dec. 20/30	18,000	$45.00*
River Plate, S. America	Poland	Grains	Dec. 28/30	30,000	$26.00
Southampton, U.K.	Casablanca	Wheat	Dec. 20/24	30,000	$12.00
Constantza, Romania	Morocco	Wheat	Dec. 18/20	25,000	$15.50
Bedi Bunda, India	Indonesia	Wheat	Dec. 17/22	27,000	$12.80

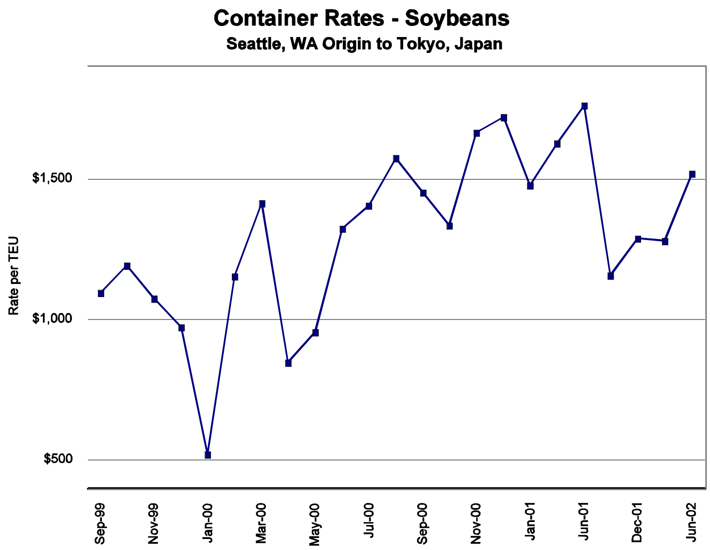
Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

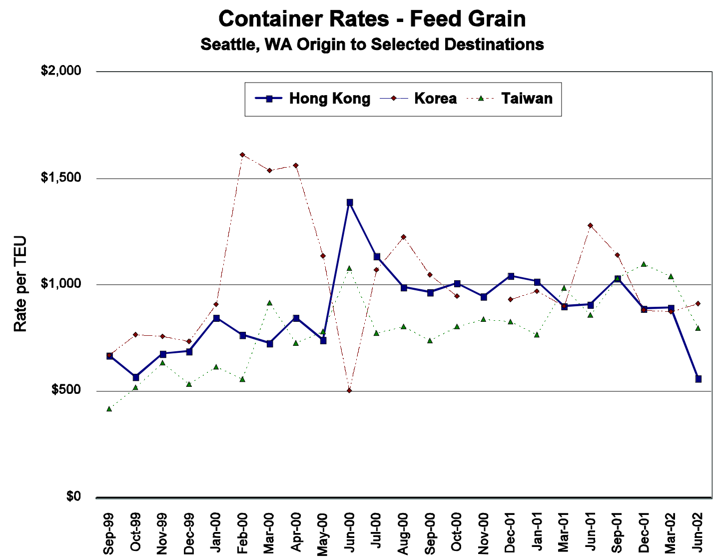
Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal. Lastly, the loading and unloading of bagged commodities are generally more labor intensive than bulk shipments, which also contributes to the additional cost.

CONTAINER

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share
Source: Transportation & Marketing/AMS/USDA





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.